



PROVO MUNICIPAL COUNCIL

Redevelopment Agency of Provo

Regular Meeting Minutes

5:30 PM, Tuesday, October 04, 2016

Room 200, Municipal Council Chambers

351 West Center

Opening Ceremony

Roll Call

THE FOLLOWING MEMBERS OF THE COUNCIL AND ADMINISTRATION WERE PRESENT:

Council Member Kim Santiago
Council Member Vernon K. Van Buren
Council Member David Harding
Council Member George Stewart
Council Attorney Brian Jones
Council Executive Director Clifford Strachan

Council Member Gary Winterton
Council Member David Sewell
Council Member David Knecht
Mayor John R. Curtis
CAO Wayne Parker

Conducting: Council Chair Kim Santiago

Opening Ceremony

Roll Call

Invocation – Chuck Hugo

The Pledge of Allegiance – Provided by Scout Troop 1845

Neighborhood Spotlight- Presented by Michael Merz, South Franklin Chair

Mr. Merz reported that the South Franklin Neighborhood was in transition with a lot of construction. Since much of the housing in the area was rentals they did not have a lot of permanent residents. He had been a resident for five years and had seen a lot of improvement during that time. Mr. Merz gave a presentation showing pictures of the neighborhood and some of the improvements and construction taking place in the area. The Boulders Apartments were being completely renovated during the next year to provide upgrades to the kitchens and living areas. The South Franklin Community Center was opened two years ago and it had become a focal point for area residents. A new city park would be completed within the next few months. Mr. Merz said the South Franklin Neighborhood was a super area with a lot of growth and positive things happening.

Approval of Minutes – September 20, 2016

Motion: Council Member Gary Winterton moved to approve the minutes of September 20, 2016. The motion was seconded by Council Member David Harding.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Public Comment

Margaret Vanleuven and Charles Cox both wanted to comment on the solar power issue. They were advised that public comment would be allowed during the council discussion on that item.

There were no public comments made at this time.

Mayor's Items and Reports

1. Resolution 2016-44 consenting to the Mayor's appointment of James Miguel as the Chief of the Fire Department for the City of Provo. (16-107)

Wayne Parker, Provo City CAO, presented. Mr. Parker announced that James Miguel had been appointed to serve as the new Fire Chief. Mr. Miguel had been involved in the fire service for more than 30 years. He had been the fire chief in Modesto, California and the Livermore and Pleasanton, California Joint Fire Department. The administration went through a very rigorous process with excellent candidates applying. Chief Miguel rose to the top very quickly. He asked that the council approve the resolution consenting to the appointment.

Chief Miguel was invited to comment. He said he was honored to be invited to serve as Provo City Fire Chief. His wife Susan was born and raised in Utah County so they had deep roots here. He said that Provo City was one of the best run and most patriotic cities he had ever seen. The fire departments reputation preceded it and provided a wonderful service. He thanked members of the fire department for being there to support him and he looked forward to supporting the men and women of the fire department.

Motion: Council Member George Stewart moved to approve **Resolution 2016-44** consenting to the Mayor's appointment of James Miguel as the Chief of the Fire Department for the City of Provo. The motion was seconded by Council Member Vernon K. Van Buren.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Council Items and Reports

2. Ordinance 2016-26 enacting Provo City Code Chapter 6.11 (Trampoline Gyms) to regulate the licensing of Trampoline Gyms in Provo. (16-105)

Chair Santiago presented this item. In March of 2016 she was contacted by Mr. Spencer Merrill, whose son had been injured in an accident at a trampoline gym. He and Dr. Craig Cook raised concerns about the severity and number of injuries occurring at trampoline gyms. To deal with injury concerns she worked with trampoline gym owners at Lowe's Extreme Air Sports, Interim Fire Chief Augustus, Mr. Merrill, Dr. Cook, and Brian Jones (council attorney) to draft basic regulations for trampoline gyms in Provo. She found that most states did not have regulations for gyms and felt that basic regulations would be helpful to achieve a certain level of safety.

Chair Santiago said the process went very well, especially with participants coming from different viewpoints. The Utah County Health Department had already drafted some regulations but decided not to put them in place. Those regulations were used as the basis for the discussions.

Chair Santiago invited Dr. Cook, the Trauma Medical Director at Utah Valley Hospital, to comment. In 2011 they started seeing some unusual injuries coming from the community, more like military type injuries or from high speed motor vehicle crashes, but they were coming from trampoline parks. Over the next few years the numbers and severity of injuries increased, including a number of injuries to youth that were debilitating and life altering. They began to educate the public with regards to this issue.

Dr. Cook stated they saw a peak of those injuries in the 2013 to 2014 time frame. After that there was a little decrease. While they took the matter to the Utah County Health Department and had some good discussion, it ultimately ended up with the city trying to make a difference in this issue. The proposed ordinance was the beginning of a lot of discussions between many different individuals and entities. He applauded all the entities; especially Lowe's who had really been engaged in this discussion.

Dr. Cook stated he was not representing Intermountain Health Care; he was representing himself as a concerned resident of the community. The proposed ordinance addressed the major concerns he had and that the trauma service had. If this ordinance had been in place five or six years ago we could have avoided a lot of undue injury and morbidity. He would like to see this as a foundation for progress in the future in cities and states throughout the country.

Chair Santiago noted that Lowe's Extreme Sports had already put into place the regulations even though they had not been passed yet. She also thanked Spencer Merrill for getting the ball rolling. His son was injured in an accident and had been a driving force behind this legislation.

Mr. Winterton appreciated the collaboration between the businesses and community working together to help prevent injuries.

Mr. Sewell expressed appreciation to Chair Santiago for all the time and effort she put into this issue. Mr. Knecht agreed saying it was not on the council radar at the beginning of the year and she was able to bring it forward and make it happen.

Mr. Jones said there had only been one change to the document since it was posted to the public website. That change included a sentence that talked about trampoline gyms keeping an injury log and having the log available for inspection by city staff and potential customers. Earlier in work session, the council voted to take out the language allowing customers to view the injury

log. It made its way into the document based on discussion but was not advocated by the council or committee. All parties agreed to take the language out.

Motion: Council Member David Sewell moved to approve **Ordinance 2016-26** as written and displayed before them. The motion was seconded by Council Member George Stewart.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Mayor's Items and Reports

3. Ordinance 2016-27 amending Energy Rates on the Provo City Consolidated Fee Schedule. (16-093)

Travis Ball, Provo City Energy Director, presented. Mr. Ball reported that the proposed energy rate was a recommendation from the Provo City Energy Board after reviewing the cost of service study completed by Mr. Dave Berg. The proposed increase would include a charge of \$3 per kW of the capacity of solar installations. They recommended this rate because it would be easy to implement and it would cover the fixed distribution costs of the system. He noted that all other UMPA cities (Spanish Fork, Levan, Nephi, Manti, and Salem) would be implementing this new rate. Mr. Ball stated that net metering customers can avoid paying some of the fixed costs for the grid. If solar customers did not pay those costs other customers had to make up the difference. In order for solar to work the grid had to be in operation. Even with the proposed fee the city would still be subsidizing solar. Solar customers also receive federal and state tax credits.

Mr. Berg was invited to comment. He stated that the \$3 per kW charge only addressed a portion of the subsidy relative to the fixed costs of the local distribution system. This did not address the subsidy that existed in the customer charge or in the wholesale power bill from UMPA. If the city went to a full demand and energy rate customer for solar customers it would eliminate the subsidy completely. The proposed rate would provide some incentive to use solar while addressing a portion of the subsidy. Mr. Berg was working with a number of other cities in Utah, such as Murray and Lehi, who were also considering a similar concept. He felt this was a fair and middle of the road charge to address the issues and recommended the council adopt the new rate.

In response to questions from council members, Mr. Berg explained that solar customers purchase very little energy from the utility but they still need to use the grid. Some utilities are calling this a grid access fee. Solar customers could over generate when the sun was shining so they export that energy to the grid and at night they used power from the grid. Mr. Berg said that Provo City had inverted rates in order to promote conservation. Customers using less energy pay a lower rate with the rate going up as they use more energy. This is an additional incentive for solar customers because the first energy they save is the most expensive.

Mr. Sewell stated that the net metering program, initiated in 2009, provided an incentive for roof top solar customers. Would this proposal dial back that incentive? Mr. Berg replied that when net metering was initiated the price of solar was many times higher so very few people could afford to install solar. Since that time the price for solar installations had come down

dramatically. The argument that full retail was needed to provide the incentive started to dissipate. Ultimately, solar needed to stand on its own with utilities because there were still a lot of tax subsidies that existed.

Mr. Stewart clarified that the city bought power back from solar customers at the retail rate. However, the city could purchase power at a much cheaper rate so that was where another subsidy existed.

Mr. Knecht stated that the city had extremely low base rates - \$6.50 per month. The city had chosen to pay for the grid and the entire infrastructure out of the profit from the sales. When someone didn't purchase power they did not support the system. The proposed \$3 solar rate would help pay for the grid that had to be there when solar customers needed it.

Chair Santiago asked Mr. Berg to explain why the city should not just increase the base rates for all users. Mr. Berg replied that it was a policy decision to keep the fixed cost as low as possible for low energy users that tend to be elderly or low income. Very few residential fixed customer charges were as high as the cost of service would be so the energy charges are higher in order to generate the revenue. If it were a true cost of service rate, the base rate would be higher and the energy rates would be lower.

In response to a question from a citizen, Mr. Bernell Stone, Mr. Berg explained that when Provo City purchased wholesale power from UMPA there were two components to the monthly bill. The first component was the energy charge associated with the total energy used during the month. The second component was the demand charge based on the city's maximum demand during the month. In most months this occurred after 5:00 p.m. and was driven by the residential use. Part of the struggle with solar was that after 5 p.m., even in the summer time, roof top solar was at a low percentage of its maximum capability (which was around 2 p.m.). With solar, there was a savings because they were not buying the energy, but the city still had to pay the demand piece.

Mr. Winterton stated that the \$3 per kW charge did not have anything to do with the UMPA bill, it was only to help maintain the city's infrastructure (substations, primary lines, transformers, service drops, etc.).

Chair Santiago invited public comment.

Don Jarvis, chair of the Mayor's Sustainability Committee and also a solar owner, said there were fixed costs that Provo City had to cover. He noted that there was a \$6 million transfer from Provo City Power to the general fund which reduced the taxes the citizens had to pay. This was a hidden tax that solar owners were not paying. The \$3 per kW charge was not the worst way to cover that tax but it was fairer to those that had smaller systems. He felt the public needed to be more involved. He recommended educating the public and discussing this issue more thoroughly before making a decision. At minimum they should consider grandfathering, excusing the first two kW's of installed solar, and creating a road map of how to handle future solar installations.

Jonathon Hill, resident of west Provo, stated they were looking into purchasing solar. He just heard about his issue yesterday. He felt the city should look at the policy and not the fiscal analysis and continue the full subsidy of solar. He stated that this year was setting up to be the

hottest year on record. Over the past summer Provo City only had ¼ inch of rain, algae blooms in Utah Lake, and other environmental impacts. On the national level there was a lawsuit that said the federal government was negligent because they had not done more to address climate change. Last winter Utah ranked at the bottom for air quality. He quoted statistics that stated bad air quality reduced the life expectancy of residents. Solar power provided a benefit to the community by reducing the carbon footprint. He estimated that the benefit he would obtain by installing solar would be \$10 over the next 12 years. It would be negative if the fee was approved.

Marcus Daley, Provo resident, commented. He stated he was the CTO for a Fortune 500 Company in New York City with 1600 employees and managed a budget much larger than Provo City's. He worried that the solar fee was not friendly to technology and it would not encourage him to open an office in Provo. He submitted and reviewed an alternative proposal to the council (attached to the permanent minutes). He emphasized that this was a future vision for how to implement solar power in Provo. He proposed establishing an average customer use and, if the solar customer dropped below use, they incur the access charge. He also addressed the load factor in the cost of service study. It required smart metering and was technology friendly. The smart meter would identify which solar customers were contributing to the peak and impose a tariff for that impact.

Justin Miller, PhD student at BYU, recently purchased solar for his home. They looked at purchasing batteries and disconnecting from the grid but it was not cost effective. If the council approved the ordinance it would be more cost effective to purchase the battery and go completely off the grid. If they went off the grid they would not be contributing energy through net metering and would not be paying the \$12 fees for the infrastructure. The city would still need to maintain the system so they would have to find another way to pay for it.

Fred Cook, Orem resident but with family in Provo, stated he was an independent contractor for a solar company. The \$3 per kW charge on the average system would cost a family \$250 per year. He felt that was an unfair way to solve the problem. If Provo City wanted to continue to be progressive they needed to find ways to encourage solar rather than penalizing those with solar. It was unfair to penalize those citizens that were trying to better their lives. The \$250 per year would go a long way to paying other family expenses.

Ty Larserberg, Provo, indicated he was a solar owner. He installed a 15 kW system and, with only two people in the home, he contributes power to the grid. He asked the council to consider how they felt about clean and renewable energy. He was investing in clean energy but the charges were coming back to penalize him. He did not complain about the \$1,000 it took to connect to the system when he installed solar. He felt there were other options the council needed to look into before approving the fee.

Nancy Evans, Provo resident since 1970, stated the quality of her voice was a matter of the respiratory issues during the past few years. As a solar customer she considered herself a partner with the city. She invested \$20,000 in solar which helped provide green power and clean air for all citizens of Provo. She was moving to Oregon because she was on the cusp of a real crisis due to the bad air in Provo. If the city did not get ahead of the crises they were going to lose more people.

Bart Robbins, resident and business owner in Provo, said there were a couple of issues that were not addressed in the report. The council was only discussing one issue – the \$3 per kW charge. There were four other solutions proposed that were not being discussed. In some other areas, if he provided more solar power than he used he would be paid back. That was not the case in Provo. He provided energy to the system that should pay for the fixed costs. If Provo implemented the \$3 charge per kW they should reimburse customers for their excess power at the end of the year.

Trina Miller, Provo, read a written statement into the record. She also submitted a written statement from her husband who was unable to attend. Copies of both statements are attached to the permanent minutes.

Mike Roan, Provo, was not a solar customer and, since he lived in an HOA, he would never be one. He said it was important to look at this charge from a different perspective. He submitted a handout to the council showing the Provo customers paid slightly less for power than Rocky Mountain Power customers. With the inclusion of the solar charges that advantage would disappear. He did not feel the citizens should pay for the cost of the Energy Department doing business in Provo. Economic and political stability resulted from the citizen's ability to rely on laws and ordinances. Net metering was implemented in 2009 and any new charges for solar should not be applied retroactively. The city needed to change the paradigm so that citizens were reimbursed for the excess power they were contributing to the grid.

Bernell Stone, Provo, moved to Windsor Drive to get out of the pollution in the Riverbottoms. He said that Provo Power was making a profit of about \$10 million. A large part of that profit was for the fixed costs. Solar users were paying fixed costs so they were already contributing to the system. Did they need to pay an additional amount because they were using less power. He was preparing testimony for the legislative hearing on the 19th on this issue. Rocky Mountain Power had a two tier rate with a spread of more than five cents. If the peak load was included in the rates Provo City was paying, then solar users, who were reducing total demand, were saving charges across the system. The cost of service study only looked at the distribution costs and not all end costs. We should be encouraging solar customers to have storage because it would smooth the city's total costs. He felt the council needed to take a step back and look at long term planning.

Daren Hansen, Provo, endorsed the proposal that Dr. Waters made in work session earlier in the day. As an engineer, Mr. Berg was not wrong, but he was selling them a 20th century public energy system. Provo City had a reputation for innovation and forward looking policies, let's not fall down on this one. He made an investment in solar three years ago. He invited the city to invest in the future of sustainable energy and vote no on this ordinance.

Ryan Peterson, Provo, stated that BYU had just agreed to a deal to put solar on their campus. BYU was Provo's biggest customer. After four years at BYU he went to Arizona and worked for a solar customer. He said a monopoly utility company forced them out of business. He currently worked for a solar company in the area and planned on putting down roots there. He said he represented the working youth looking for good jobs in Provo. He felt that policies like this, not just solar, but any policies that were predatory for any industry, did not motivate the youth to stay in Provo. He wanted Provo to remain a forward looking community.

Melissa Kendall, Provo solar customer, stated that Provo City was not just subsidizing solar users but they were subsidizing low energy users also. The fee schedule was set up to depend upon usage to recover costs for the grid. They should rethink that policy and make it equitable across the board. At least grandfather those in that have made the investment based on rules at the time. They should take the time to develop a plan that would be forward looking and would not undermine the industry. She agreed with a small rate increase across the board to recover costs. They had time on their side to develop a plan because there were only 160 solar users out of 37,000 customers.

Bonnie Morrow, Provo, said she talked to her neighbors and they were pro solar. She was on the Vision 2030 Committee and one of the goals was to encourage solar power and bicycling. Based on that vision she had a dream of installing solar on their home and driving a Prius. She now had both. In Provo, net metering was required so solar customers could not go off the grid. A big disadvantage to solar was that Provo Power seized the excess energy they produced and did not pay them for it. Provo City officials were very helpful in getting them set up the connections for solar power. She believed in the future of Provo and in clean air. She said that solar did stand on its own in Provo. If this ordinance was passed it would affect the resale value of homes with solar in Provo because you would have to disclose that the rates were fluid. She did not think people would want to buy homes with solar panels already installed under those circumstances.

Brian Morrow, Provo, said it was not beneficial to put solar on their new home because it would take 15 to 20 years to recoup the investment. He was against it and did not see any advantage other than the environmental aspect. They oversized their installation and produced more power than they used. In March they had a credit of \$250 which the city got for free. He was also an industrial business owner in Provo. When he built a new building he kept getting demand charges. Provo City told him his business was putting a demand on the grid which was based on the maximum peak. When asked how he could reduce his demand he was told to run his business at night or evening because the rate was cheaper and the demand was less. He felt that by putting in solar power he was decreasing the demand for the city. Mr. Morrow asked the council to remember that they represent the people, not the power company. For the past hour citizens of Provo that want to have solar have been addressing the council. This was a representation of how the people of Provo felt about solar power. There had not been anyone that opposed solar power make any comments. There were indirect benefits of solar power that they could not quantify.

Galen Smith, Provo, installed solar panels a number of years ago when it was very expensive and, in reality, would never pay for itself. He installed solar because he wanted to clean the air in Provo and reduce the huge utility bills he had each summer. He said his panels do not quit at 5 p.m. they keep working as long as the sun was out. Even though he has given power to the city the whole time he still has a few utility bills during the winter. He did not see why he should have to pay to contribute energy to the city.

Chris Collard, Provo solar customer and solar business owner, stated that last year the average system size in Provo was just over 10 kW's. At the proposed fee that would be an additional \$30 per month for those customers. He had heard that, with net metering, Provo was going to cap their solar customers at one percent of all power customers, which hasn't happened yet. When they reach their cap it would only be \$3,600 revenue per month which was not a lot of money compared to the budget. If all citizens had solar power it might be a problem but that would not

happen. He was concerned that this fee would set a bad precedent. He said there were other options the city could look into, such as letting BYU students purchase the excess solar credits from solar customers.

Beth Alligood, Provo, felt it all came down to money. How much money did the city get to pay for the infrastructure? She said they were picking at solar customers because they were the low hanging fruit where they could change the rates on right now. That would not solve the underlying problem. When the city had a \$2.5 million deficit in residential power picking on solar customers would not eliminate that deficit. She said that solar customers were not subsidized by other customers. Commercial and retail subsidized all residential customers. If they wanted to be fair they should take the 24 percent that were not paying their infrastructure fees and they raise the base rates. If the city was worried about the poor or those on fixed incomes the city could put a system in place where they would have to prove their status and they would get the subsidy. During work session earlier Mr. Berg stated the demand was not going up, it was the cost of infrastructure that was going up. Even if the city changed the energy rates the demand was not going up. Solar customers were not trying to avoid paying for infrastructure costs; they were just trying to provide a stable environment for their families.

Ryan Evans, President of the Utah Solar Association, stated it was easy to throw the word subsidy around when they had spent many hours looking at the cost of solar on the system. He wondered what it would look like if they spent as much time looking at the benefits of solar. He had heard that the \$3 surcharge was the easy solution to implement and that five other UMPA cities were doing it. He said those five other cities had different needs. He did not think public policy was meant to be easy and it would be difficult to make broad changes to the rates of all users. Earlier it was said that the solar charge was a halfway point and that it would not hurt solar in the city. He said that not one of the eight solar owners he spoke with said they would continue to have their business in Provo. By not seeking more public input and more discussion on this issue the council would not have the opportunity to hear other proposals.

Dave Rasmussen, Provo resident and representing Vision Solar, had operations in four different states. He had a lot of experience dealing with different municipalities. He had business in Nevada and, when the decision was made to cap the net metering and eliminate the grandfathering for solar customers in Nevada, they had to close down their business in Nevada. This proposal mirrored the one in Nevada with no grandfathering and adding an additional charge without considering the consequences. He encouraged the council to consider grandfathering for those that had already installed solar. They chose to locate their business in Provo by taking over the lease for the Border's building in the Riverwoods. They loved Provo because it was business friendly and wanted Provo to stay that way.

Chad Rasmussen indicated he was a proud member of the solar community. He said there were hundreds, if not thousands, of Provo based employees of solar companies. They loved working with the utilities but said the current proposal might not be the best one. He encouraged the council to find the right solution. The average cost for a solar installation was \$20,000 to \$30,000. Most customers did not have the capital to purchase it outright so they had to finance the installation. An increase of 18 to 20 percent could impact those on a fixed monthly budget. In Utah it could take up to 20 years before customers break even on their purchase. With the additional fee it might be difficult to justify installing solar.

Charles Cox, Provo, said the fee would increase his bill by \$500 per year. In March, the power company took \$500 worth of credit that he had earned. This action would cost him \$1,000 per year. He was generating enough extra power to help four homes. All he wanted to do was cut the carbon footprint. He does not use a wood stove and he used solar to run the home. He was happy to save money but he was also pleased that he did not have to smell the wood burning stove anymore. He encouraged the council to be proactive and be the first city not to propose a solar fee. The city was generating more than \$10 million extra every year to give to the general fund. It would be fairer if they increased the property tax to pay for city services such as parks.

Chris Bailey, Provo, just installed an 11 kW system. They took more than three years to discuss the pros and cons of going solar. They took out a loan of \$35,000 to install solar so they were paying more each month than if they did not have solar. This solar fee would add an additional \$30 to \$40 dollars to their existing costs. If they had known this up front it would have added another thing to consider when making their decision to install solar. There was an environmental value in solar so he encouraged the council to consider the benefits when they made their decision.

Erica Dahl, Director of Government Affairs for Vivint Solar, had been meeting with Provo City officials for the past several months. She appreciated that all the solar businesses were coming together to address these issues. Vivant Solar was based in Utah County with 1,200 out of 4,000 employees living and working in Utah. Vivint Solar was the second largest residential solar installer in the U.S. She said they had been working with Mayor Curtis, Mr. Ball, and Don Jarvis since February 2016. Their key concern was that the report by Mr. Berg was a cost of service study which simply looked at the cost of solar and did not address the benefits of solar. She asked the council to take into account the value of solar before they rushed into a proposal that the industry felt was one-sided.

Margaret Vanleuven, Provo, stated she and her husband raised their children in Provo. They were retired school teachers. She would not live to reap the benefits of their solar installation because the cost would outlive her. As a school teacher, there were days when her students could not go outside for recess because of the inversion. That was what drove them to install solar.

There were no more public comments.

Chair Santiago invited council discussion. In response to questions from Mr. Knecht, Mr. Jarvis replied that very little of the air pollution in Utah County was created by energy generation. Most of the pollution was caused by automobiles or buildings.

Mr. Ball said that when the city went to an inclining rate a few years ago the base rate did not change. They initiated the inclining rate to encourage conservation. As for determining how much solar users reduced the peak demand, Mr. Ball said he was sure it was a small portion but we would not have good data on that information until the smart meters were installed. By next September the entire city would have smart meters and we would have better data to work with. It also helped if homes had west facing solar panels.

In response to a question from Mr. Winterton, Mr. Ball explained that when solar generated more power than was being used it was put back on the system. In March/April of each year any

credit still showing on an account was wiped out. They chose March/April because solar generated less power in the winter so their credit would be smaller. He said that for those customers generating enough power to have a credit, they were not paying anything. For any energy that is over generated the city was paying a rate between nine and 12 cents per kWh. The city paid less than five cents per kWh from a community solar program with a five mW system.

Mr. Stewart pointed out that the credit was based on the city paying 10 to 12 cents per kWh and yet they could go out on the market and purchase power for five cents per kWh. The difference of seven cents would probably wipe out any credit the solar customers had. He responded to a few comments made by the citizens.

- Take time to get it right – other alternatives were presented to the Energy Board and council and they felt this was the fairest way and less expensive than several other alternatives. They had been studying this issue for several months.
- Solar reduced the carbon footprint in Utah County – Provo City's electricity was not generated in Provo so it would not reduce the carbon footprint in Utah County. It might reduce the carbon footprint elsewhere in the state, but not in Provo.
- The council needed to represent the citizens of the city – Mr. Stewart said he represented all residents of the city, including the 29,800 citizens that were not on solar and that were subsidizing the solar users. The free market economy would not sustain solar power if it wasn't for the local, state, and national subsidies. Solar providers were sure to be against what the council was trying to do. He felt this proposal was fair for all citizens.

Mr. Van Buren noted that several citizens stated that this policy was not forward looking. He asked Mr. Ball to respond to that concern. Mr. Ball said they did not want to make the solar charge burdensome for the solar customers. They wanted to recover some of the distribution grid costs but there were several other costs that were not included. He said they looked at other cities to see how they address solar power. St. George had a higher base rate but they were still charging a solar fee on top of their base rate. So the solar customer would pay more in St. George than in Provo. St. George had not seen a decrease in solar installations, even with the additional fees. Mr. Ball said there was value in solar. The city was looking into a community solar program so that all citizens could buy into a solar project. The city would be paying about half the cost for power than they were paying roof top solar customers.

Mr. Knecht noted that the \$6 per month base charge that all customers paid could be almost \$27 per month if the customers paid the actual cost to provide that service. The energy charge would be reduced to compensate for the increased base fee charges. The net effect of that action would change the payback model for solar. The base rate per month would be increased and their credit would be reduced because of the lower energy charge. As for grandfathering, if someone installed solar and expected their energy charges would not change that would mean their \$6 per month base charge would also be grandfathered. Were solar users expecting to be exempt from that increase because it would also affect their financing model.

Mr. Harding said the question was asked about air quality in the valley and Mr. Evans expressed a dissenting opinion from Mr. Jarvis and Mr. Ball. He asked if Mr. Evans could respond to the question of whether solar generation had little impact on the air shed in Utah Valley.

Mr. Evans did not disagree with that statement but said it did not paint the whole picture. He was an employee of the Salt Lake Chamber for 13 years and led all of their public policy and

engagement programs for air quality; he sat on the governor's Clean Air Action Team, and was a board member for the Utah Clean Air Partnership, so he understood air quality in Utah. From that perspective, not a lot of Provo's pollution came from locally generated emissions. However, roughly 52 percent of Utah Valley's pollution came from vehicle emissions and 37 percent came from area homes and businesses. As they cut back on the amount of fossil fuel consumption, in homes and businesses, it would bring down that number. Because of technology, vehicle emissions were coming down dramatically and area source pollution was going up. Although there were no easy answers, it was generally agreed that every little step possible helped provide better air quality in the future.

Mr. Harding stated that one of the main comments made by citizens was regarding the air quality and talking about the inversions. He wanted the citizens to understand that the local air quality was not diminished by the use of rooftop solar. If people really wanted to improve the air quality in the valley they would install solar hot water assist rather than photovoltaic (PV). Mr. Evans said he would not oversell the environment qualities with a PV system. However, if the citizens had a PV system and an electric car that they charged with that system, and then purchased batteries to store the energy, it would have an effect on the emission in the valley.

In response to Mr. Harding's comment, Mr. Jarvis said he was surprised there was not more discussion around solar heating. Solar water heating was very popular around the world. Electrical generation did not affect the air shed in Utah Valley but coal fired plants put out a lot of pollution. It was not just the carbon issue, it included mercury emissions also.

Mr. Knecht stated that we heat our homes and water with natural gas. Even if solar customers did not use electricity in their homes, they were still contributing to the air shed through their natural gas usage. Heating our homes and water with electricity would be something worth promoting.

Mr. Sewell pointed out that several goals in the Vision 2030 plan and the Vision 2050 draft talked about improving clean air through businesses and industry, improving energy efficiency in Provo, promoting public and private generation of renewable energy resources, and reducing Provo's dependency on fossil fuels. They also state that we need to seek opportunities to diversify energy resources and seek opportunities for consumer alternatives to purchase energy from renewable resources. These goals were part of our city's vision and we should be encouraging renewable energy both publicly and privately. He felt this action would be a defacto rewrite of those goals.

Mr. Sewell gave the following four principles on which this decision should be based. He substituted "solar" with "renewable energy" in the last three.

1. The Council's intent to protect Provo City Power's financial stability must be publicized.
2. We need to prepare for the future when 50 percent of Provo's residential customers would use renewable energy.
3. We want to be supportive of residential use of renewable energy.
4. A rate structure roadmap should be developed and publicized so that renewable energy companies and customers can reasonably plan for their respective activities and investments.

He expressed concern about the way this proposal came about. He had a great respect for the energy board and the power department who had been very forward thinking in a lot of things. But he did not understand how they could have this solar discussion go through the power

department, energy board, and UMPA without even considering grandfathering in residents who were helping the city achieve the city's vision and policy objectives. He felt the partnership between business and community was missing. This proposal was thrown at them without a lot of notice. He did not support the solar surcharge but, if the council moved forward with it, he hoped they would grandfather current solar customers over the course of their investment which could be up to 20 years.

Mr. Sewell noted that those residents using a lot of power subsidize those that use less. They were adding another unfair structure on top of one that might already exist. Would the surcharge apply to other types of renewable energy? He researched this on the internet and found an example of a municipality that had a surcharge on three different types of renewable energy – solar, hydro, and bio gas. He had sent an email to his constituent list about this issue and he received 27 responses. Only one of the 27 expressed concern about subsidizing solar customers.

Mr. Sewell said there were some structural rate deficiencies and options to address the rate deficiencies were discussed in work meeting. The solar surcharge would raise \$45,000 to \$50,000 the first year. By increasing our base rate by 13 cents it would raise the same amount of money. He agreed that the cost of service study was all about the dollars and cents and did not look at the value of solar power. He suggested not approving the surcharge, if short term revenues were a concern they could increase the base rate by 13 cents, and form a council committee to get all the players together to determine what the city's vision should be.

Mr. Stewart read an email he had received from a citizen in Provo who felt it was wrong for solar customers to use the grid at reduced cost from all other taxpayers. Solar owners should not expect a subsidy from non-solar owners for a shared utility.

Mr. Harding said he agreed with several of Mr. Sewell's comments and there were some he disagreed with. For a long time he felt solar was an all-around good thing. But after he started diving into the details of electrical generation, transmission, costs, peak demand, and load factor he realized that solar was not a win-win for everyone. The surcharge had never been about raising revenues off solar customers, it was about fixing a structural deficiency. Solar power was not considered when the rates were set up. It was a loophole that needed to be fixed for the future. He felt that current solar customers should be grandfathered in because it was the current policy and rate when their solar was installed. Was it ethical or moral to change the rates for solar customers after they had signed a net metering contract defining the rates?

He did not agree that the surcharge was picking on solar customers. The council should have a separate conversation about base rates. A 300 kWh net user had a very different infrastructure demand than a 300 kWh gross user – someone that did not pull and push solar. There was some rationale behind treating solar customers that net 300 kWh's different than other customers with 300 kWh's. Other renewable energy sources, such as wind, water, etc., should be treated the same way. The surcharge did not cover the entire subsidy; it moved it to the middle of the road.

He felt that solar had a value to the community and in the wider world. They needed to have a serious conversation about whether it was the city's place to incentivize solar. If we find it was, he would still argue that the net metering method was not the right way to do it. We should have a system similar to the federal and state incentives. One of the citizens indicated he had just installed solar over the summer and was surprised that the city was going to change the rules on

him. Mr. Harding preferred to hold off making the decision, discuss the option more, get the most money for the incentives, and make some long range decisions going forward. They could put a moratorium on new net metering contracts to send a strong signal it was under discussion and they had not made a decision.

Mr. Knecht said there were conflicting, overriding concerns. One of the council's intent statements was to protect Provo City's power financial stability and prepare for a future when 50 percent of our customers had renewable energy. It would have real ramifications to our financial model if that occurred. Provo Power was a big co-op, it belonged to all residents of Provo. One of those overriding principles in that policy was that people should pay for what they get. A recent review of Energy fees determined that the basic service charge on energy was \$78 per year when the real cost was more like \$347 per year. Occasionally the city determined that charging the full price was not in the best interest of the public and it would be better to find the funds elsewhere.

Mr. Knecht stated that a portion of his electric bill, as much as \$200 per year, went to the general fund in a variety of ways. If he wanted to take his house off the grid he would still expect to pay his fair share. He might have to add \$200 to his property tax. Everyone had to pay their fair share and we needed to be clear about where the City was going and what it was doing to all aspects of our budget.

In response to a question from Mr. Stewart, Mr. Sewell stated that a previous council had voted to adopt the Vision 2030 plan which had several renewable energy statements. They included:

- Work with UMPA to continue to seek long-term electrical resources which provide for stable and generally lower cost of electricity.
- Seek opportunities to diversify energy resources in a cost effective manner including increasing energy percentages from renewable and alternate sources.
- Seek opportunities for consumer alternatives to purchase energy from renewable resources.

Mr. Stewart felt these statements contradicted each other and were not cost effective for the average rate payer in Provo that would be subsidizing solar.

Mr. Winterton was not convinced that solar power benefited our community and would impact the air quality in Provo. He asked how many of our citizens concerned about the environment signed up for Renew Choice through the Energy Department. Renew Choice was probably more effective than solar. The city studied all five issues associated with solar for more than a year and this was the least offensive for the solar community. There was still a subsidy for the solar community, it was just asking them to contribute a little to the grid.

Mr. Harding said he would support a moratorium on new net metering contracts for 90 days. They could use the time to discuss the issues and hope to have an answer on how they want to move forward by the end of that period. He felt it would protect potential customers by putting in the moratorium and creating a road map so they would know what to expect.

Mr. Sewell stated that UMPA and Provo Power had been looking at this issue for more than a year but, before it went to the work session on September 6, 2016, hardly anyone in the solar community knew about this. The chair of the Sustainability Committee had not heard about this proposal. How did they know it was fair if the solar community did not have any input? He did

not agree with a moratorium because there were less than one-half percent of utility customers using solar. Also, it would not be fair to business owners to cut off their sales.

Mr. Stewart felt it was important to take care of this as soon as possible because more and more customers would be affected by not taking action. It would hurt those citizens considering solar. It would also affect the solar business because they could not sell in Provo for 90 days.

Mr. Harding said his primary duty and responsibility was to the public and residents that owned our power utility and that was why he recommended a moratorium.

Mr. Sewell presented two alternatives to the moratorium idea. He felt the five percent cap on customers using solar was a moratorium. If that was too far in the future, they could cap the number of solar customers by taking the currently installed kW's and doubling that. It would give solar companies time to adjust their investments and where they were putting their efforts. Hopefully the discussion on solar rates could be completed before that cap was met.

Mr. Knecht noted that, years ago, we owned a geothermal plant in Cedar Fort. UMPA bought the plant because it would diversify our energy portfolio and provide a source of renewable energy. We were going in the hole nearly \$1 million per year so we had to cut our losses, sell the plant, and do the right thing for our rate payers. It was sold to a private company that could make it work because they qualified for federal subsidizes that we were not eligible for.

Chair Santiago said they did try to include some of the other players when they asked Mr. Sewell to meet with Dr. Larry Walters, a solar customer and Mr. Ball to get some discussion going. However, she felt there needed to be more. Dr. Walter's made a proposal during the work session earlier in the day that had not been considered. There had also been proposals by citizens that night that might be worth looking into. There were divergent views on the council and she did not feel ready to make a decision about this issue that night. She proposed getting all the players together including Dr. Walters, Mr. Evans (representing the solar industry), Mr. Sewell and Mr. Stewart who had opposing opinions and Mr. Ball. They could work through some of the proposals and issues. She was not comfortable with a moratorium because she did not know what it would do to the solar industry.

Mr. Stewart said they had hashed it out and he did not see anyone changing their views. This would just delay the decision, which was typical of councils. He felt they needed to make a decision so he made the following motion:

Motion: Council Member George Stewart moved to approve **Ordinance 2016-27** amending Energy rates on the Provo City Consolidated Fee Schedule. The motion was seconded by Council Member Dave Knecht.

Chair Santiago said that Mr. Stewart and Mr. Winterton had served on the Power Board and had much more discussion concerning this issue. She had not attended those meetings and had very spotty discussions on the issue so she did not have the comfort level that he had.

Mr. Sewell asked for clarification on the motion and which option he was proposing. The first would be to grandfather the existing users for up to 20 years from installation. The second

option would be to consider a compromise, suggested by Mr. Ball, which would implement a two kW credit for those with solar already installed.

Mr. Stewart stated his motion was based on Exhibit A which added a solar generation capacity charge of \$3 per kW with no credit and no grandfathering.

Mr. Sewell said many of the solar customers were concerned about the environment and invested \$20,000 to \$30,000 based a former council resolution approving a Vision 2030 document that outlined the city's vision. That night he heard that they needed to hurry and make this change because it was only going to get harder as more solar customers signed up. If there were 1,800 customers instead of 180 the room would be overflowing. He did not think they would be talking about not grandfathering. Even if it was just one customer it was not fair.

Mr. Winterton had some concerns about grandfathering. He did not think the community ever intended to subsidize solar users. He did not understand the benefits of solar except for saving money on utility bills. No one said the rates would be the same forever – rates have never been locked in. The city did want renewable power so maybe they could give a credit for the first two kW's going forward. He still wanted solar as part of the community's vision and the technology would improve and get better.

In response to a question from Mr. Stewart, Mr. Winterton said the credit for the first two kW's would just be for the current customers.

Mr. Stewart said he could go along with a credit for the first two kW's and made an amended motion.

Motion: Council Member George Stewart made a motion to amend Exhibit A to give a two kW credit to current customers that had already installed solar. The \$3 per kW charge would occur after the first two kW's (as shown on the screen). The motion was seconded by Council Member Dave Knecht.

Mr. Van Buren did not see how the city grandfathered for an extended period of 20 years. They did not do that with any rates so the two kW credit was a better solution.

Mr. Sewell felt this was different from other rate changes because citizens had invested tens of thousands of dollars to help the city achieve their vision and goals.

Mr. Harding said he would be shocked if, when the council created the net metering program in 2009, that they did not understand it would create a subsidy for solar customers. As for grandfathering, did that mean that for 20 years the rates would never change or did that mean we would not take net metering away. They would still be subject to rate changes but they would always have access to net metering.

Mr. Sewell would propose grandfathering solar customers for 20 years from installation date for the net metering. They would still be subject changes in the base rate.

Mr. Knecht stated he was not around when net metering was adopted by the council. He felt net metering was a way for someone to put energy back into the system and get credit for it. A subsidy was created when the city paid more for that energy than we pay to any other producer.

Mr. Harding felt the city was 18 months away from having smart meters installed everywhere, which would be a game changer for the billing system. The smart meters would allow rate structuring to align customer interests with the power company's interests. Any action taken at this time would be an interim solution. We do not want more citizens buying into solar and expecting things to stay the same for 20 years. The motion on the table would continue the subsidy at a lower rate. He would rather invest that money for the next 60 days to determine the best way to reach their vision and goals.

Mr. Stewart said 18 months from now they would be able to have a demand and energy charge with a new rate schedule. The \$3 charge per kW would go away. That was why he could support it on a temporary basis. Solar customers would like it even less if they charged the true cost.

Mr. Winterton said we had 118 solar customers six months ago. We now have 213 customers and by the end of the year we were looking at 288 customers on solar that were already under contract. The numbers were getting higher so they needed to send a message that they were not comfortable with the current process. If people are going to sign up for solar they have to understand that things will probably change. He asked if the amended motion would include those customers that had already signed contracts.

Mr. Jones stated one option, to avoid postdated contracts, would be to consider whether a solar customer had already filed an application with the city.

Mr. Stewart said he would be fine with an amendment to the motion stating that the two kw credit applied to those customers that had already filed an application

Motion: Council Member George Stewart moved to amend Exhibit A which created a Solar Generation Capacity Charge of \$3.00/kW per month with a footnote stating, "Any net metered residence that, as of October 4, 2016, has either (1) a completed net metering installation or (2) a completed net metering application filed with the City shall not be charged for the first two (2) kW-mo. of solar generation capacity." The motion was seconded by Council Member Vernon K. Van Buren.

Mr. Knecht felt the definition of words were important. There was a big difference between "shall" and "may" in the legal terms. "Shall" means you have to while "may" was optional. In the Vision 2030 document words referencing renewable energy included "promote, encourage, and offer opportunities." The document did not say we were going to subsidize renewable energy.

Mr. Sewell felt the subsidy was implied and the intent was to offer an incentive for those pursuing renewable energy.

Mr. Knecht said that net metering itself was an incentive. The question became at what rate do we buy the energy back.

Mr. Sewell said we did not have the capability to determine a rate and it had to be signaled years in advance. He was strongly opposed to what they were talking about and felt it sent a bad message to our current customers. It was also clear that, in 18 months, there might be another change the solar industry would like even less.

Mr. Stewart stated they were sending a signal that 29,800 customers were not going to continue completely subsidizing solar customers. There was still a subsidy, it just wouldn't be as much. It also gives the city 18 months to decide whether they want to consider any kind of subsidy for solar. It was a fair rate schedule for all residents.

Mr. Harding still felt a 90-day moratorium made a lot of sense. If there was not support for a moratorium he suggested sending the signal that current customers with an application already submitted would be grandfathered in. The contract could be changed so that future customers understood that rates would change. He said the number of people that had already submitted applications was small enough that the city could live up to, what he felt, was a commitment.

In response to a question from Chair Santiago, Mr. Jones stated the ordinance that day could say that something would last for 20 years. What they could not say was that a future would not delete that sentence two years from now. He said there was an ordinance that adopted an amended exhibit. He recommended they vote on what the exhibit should say before they actually vote on the ordinance. He clarified that the motion on the floor stated, "Any net metering customer that, as of October 4, 2016, has either 1) a completed net metering installation or 2) a completed net metering application filed with the city, shall not be charged for the first two kW per month of solar generation capacity."

Mr. Stewart did not want a 20-year expiration date associated with the motion because the rate would go away in 18 months when they adopt a new rate schedule. There was no guarantee the expiration date would not be changed. Grandfathering by the council was an unreasonable expectation for citizens because future council could change that.

Chair Santiago asked if they could grandfather the expiration date by having individual contracts between the power company and the solar customer. Mr. Jones said they could go that route if they wanted the 20-year expiration to be binding. He would recommend simply adding a footnote to the charge which stated that it was the council's intent that the charge would not apply to customers with a completed installation or application as of October 4, 2016. Six months from now, though, the council could go back and change that.

Mr. Jones said it was not uncommon for legislative bodies to make that intent clear in order to make it harder for future councils to change that.

Mr. Stewart confirmed he did not want the 20-year expiration date included in his motion.

Mr. Parker asked for clarification on the two kW credit. Did the credit apply to a customer that connected within that time frame or to a home/residence? The home could be sold and the new

owner would sign a new net metering agreement which would be after the effective date, thereby eliminating the credit.

Mr. Stewart said his intent would be for the credit to be applied to the home/residence and not the owner.

Mr. Sewell suggested making a substitute motion that would amend Exhibit A to state that existing customers, with a solar installation or a completed net metering application filed as of October 4, 2016, would have their net metering arrangement grandfathered in for 20 years from the date of installation. The grandfathering would not include base rates increases or retail rate increases. New net metering customers, after the October 4, 2016 date, would receive a two kW credit.

Mr. Stewart recommended voting on his motion to determine if it would get the four votes necessary to be approved before further discussion.

Mr. Harding wanted to layout a roadmap for the future and did not feel a \$3 solar charge was part of the roadmap. A previous council adopted a vision and residents acted upon that vision and now the city wanted to change their commitment.

Mr. Winterton said he loved the citizens of Provo but did not feel all of them acted upon that vision, most were looking at the dollars and cents.

Mr. Sewell felt they would not have any credibility going forward if they approved this rate change.

Mr. Jones clarified that the motion by Mr. Stewart was to amend Exhibit A to state that solar customers, as of October 4, 2016, would receive a two kW credit before being assessed the \$3 per kW capacity charge. A current customer included those with solar installations already installed and those that had completed a net metering application with the City as of October 4, 2016.

Chair Santiago called for a vote on Mr. Stewart's motion as shown on the screen.

Roll Call Vote: The motion passed 5:2 with Council Members Knecht, Sewell, Stewart, Van Buren, and Winterton in favor and Council Members Harding and Santiago opposed.

Chair Santiago explained that she did not vote for the amendment because the two kW credit had not been vetted with the solar companies to see if it would make a difference.

Mr. Jones stated that the council had an updated exhibit to attach to the proposed ordinance. There had not been a motion to approve the ordinance.

Chair Santiago invited Dr. Walters to give his thoughts on the amended exhibit to credit the two kW's. Mr. Walters replied that the average solar installation was somewhere between six and eight kW's. However, as they heard that night, there were a lot of much larger installations. On a six kW system it would be a 33 percent reduction on the charge. The bigger the installation the

smaller the percentage reduction. He did not think it addressed the fundamental issues discussed earlier.

In response to a comment by Mr. Winterton, Mr. Ball stated that, in the future, they would be able to implement a demand rate. The base rate could be adjusted at any time and would affect a lot of customers.

Mr. Jones noted they had not indicated the effective date of the rate change. As of this point the rate change would be the effective date of the ordinance as indicated in Part II. If the council wanted a specific effective date they would need to make a motion to amend that section.

Karen Larsen, Division Director –Customer Service, stated she preferred a minimum of 30 days to implement the rate change but would prefer longer. Each customer had to be set up individually in order to apply the two kW credit. If all current customers were grandfathered she would only need 30 days.

Mr. Larsen also told the council that the customer service reps had received several calls from solar customers concerned about their city bills. She said the bills were different from what the solar sales representative was telling them. She wanted to make sure that solar companies were clear with the customers about their bills and what to expect.

Motion: Council Member George Stewart moved to amend the effective date of the ordinance to January 1, 2017. The motion was seconded by Council Member David Knecht.

Mr. Strachan said the solar charge would bring in \$48,000 per year in revenue, less \$16,000 per year for the two kW credit. A delay of two or three months would not cost a lot in the revenue stream.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Mr. Harding made the following motion to amend Exhibit A.

Motion: Council Member David Harding moved to amend Exhibit A to state that any net metered residence that, as of October 4, 2016, has either (1) a completed net metering installation or (2) a completed net metering application filed with the City shall not be charged this solar generation capacity charge. The motion was seconded by Council Member David Sewell.

Mr. Harding clarified that his motion was to change the footnote on the Consolidate Fee Schedule to exempt the capacity charge for any solar customers that already have it installed or have submitted an application. He pleaded with the council members to grandfather those solar customers that were already in place. Any solar customer that came in tomorrow would not qualify for an exemption. They would pay a \$3 per kW capacity charge.

Chair Santiago said she was still holding out for a meeting between the people she suggested. She did not feel it had been fully vetted.

Chair Santiago called for a vote on the motion to amend the exhibit to grandfather current solar customers.

Roll Call Vote: The motion passed 4:3 with Council Members Harding, Knecht, Santiago, and Sewell in favor and Council Members Stewart, Van Buren, and Winterton opposed.

Mr. Knecht stated he had trouble with grandfathering the current customers so he would be voting against the ordinance. Mr. Jones said that since he voted for the motion to include grandfathering, and was in the prevailing votes, a motion could be made to allow reconsideration of the motion.

Motion: Council Member David Harding made a motion to continue this item until they were ready to come back with it. The motion was seconded by Council Member David Sewell.

Chair Santiago stated that the document had been amended to include grandfathering current solar customers. There was a motion on the table to continue this item. She called for a vote on the motion.

Roll Call Vote: The motion failed 3:4 with Council Members Harding, Santiago, and Sewell in favor and Council Members Knecht, Stewart, Van Buren, and Winterton opposed.

Mr. Jones said they now had a draft ordinance on the table with an effective date of January 1, 2017, that added a \$3 per kW solar capacity charge, and grandfathered all current solar customers. If the council made a motion to reject that ordinance, and it passed, there was nothing on the table.

In response to a question from Mr. Van Buren, Mr. Knecht stated he wanted the \$3 per kW capacity charge for all solar customers with a two kW credit applied to current solar customers as of October 4, 2016. He made the following motion.

Motion: Council Member David Knecht moved to amend Exhibit A back to the form it was after Mr. Stewarts motion which added a \$3 per kW capacity charge and exempted current installations from the first two kW. The motion was seconded by Council Member Vernon K. Van Buren.

Mr. Harding reminded the council they would be changing the rules on the current 200 customers. They could change it for everyone in the future but they should not change it for those customers that made a decision based on what a past council said was their policy and their intent.

Mr. Stewart was not sure very many people made their decision based on what the previous council said or didn't say. They made their decision based on what the salesman said.

Roll Call Vote: The motion passed 4:3 with Council Members Knecht, Stewart, Van Buren, and Winterton in favor and Council Members Harding, Santiago, and Sewell opposed.

Mr. Jones stated that the Exhibit had now been amended to include the two kW credit for current customers and now they needed a motion to approve the ordinance as amended.

Motion: Council Member George Stewart moved to approve **Ordinance 2016-27** as amended. The motion was seconded by Council Member Vernon K. Van Buren.

Chair Santiago called for a vote on the motion to adopt the ordinance as amended.

Roll Call Vote: The motion passed 4:3 with Council Members Knecht, Stewart, Van Buren, and Winterton in favor and Council Members Harding, Santiago, and Sewell opposed.

4. Resolution 2016-45 appropriating \$260,000 in the General CIP Fund for purposes related to the Fleet Facility Project and applying to the fiscal year ending June 30, 2017. (16-110)

Dustin Grabau, Provo City Budget Officer, presented. During the end of the FY 2017 budgeting process there were changes made to the General Fund CIP for the fleet facility. The funding for this portion of the project, to be transferred from the Sanitation CIP had been omitted. This action would amend the oversight and appropriate the funds that were already dedicated for this project.

There was no response to the request for public comment.

Motion: Council Member David Harding moved to approve **Resolution 2016-45** as written. The motion was seconded by Council Member George Stewart.

Roll Call Vote: The motion passed 6:0 with Council Members Harding, Knecht, Santiago, Stewart, Van Buren, and Winterton in favor. Council Member Sewell was excused.

5. Resolution 2016-46 approving a Power Plant Property Lease Agreement between Provo City and Utah Municipal Power Agency. (16-024)

Travis Ball, Energy Department Director, presented. The Utah Municipal Power Agency (UMPA) would be building a power plant on the Energy Department site. After an appraisal was completed on the property it was determined the amount of the annual lease should range from \$12,000 to \$20,000 per year. There were very few uses for that property so the lease was approved at \$12,000 per year with a one percent escalator going forward. UMPA was required

to upgrade the power plant to match the recreation center and the new utility building which increased the cost of their project by \$350,000. Mr. Ball noted that the new plant would be built to current clean air standards and would improve the air quality in Provo City.

Motion: Council Member George Stewart moved to approve **Resolution 2016-46** as written. The motion was seconded by Council Member Vernon K. Van Buren.

Roll Call Vote: The motion passed 6:0 with Council Members Harding, Knecht, Santiago, Stewart, Van Buren, and Winterton in favor. Council Member Sewell was excused.

Policy Items Referred from the Planning Commission

6. **An ordinance amending the Zone Map Classification of approximately 2.44 acres of real property, generally located at 1290 North Geneva Road, from Agricultural Zone (A1.5) to One-Family Residential (R1.10), Lakeview North Neighborhood. (14-0013R)**

Mr. Parker stated that the applicant had requested this item be continued until the next meeting.

Motion: Council Member Vernon K. Van Buren moved to continue item No. 6 to the next council meeting. The motion was seconded by Council Member George Stewart.

Roll Call Vote: The motion passed 6:0 with Council Members Harding, Knecht, Santiago, Stewart, Van Buren, and Winterton in favor. Council Member Sewell was excused.

Adjourn

Motion: Council Member David Knecht moved to Adjourn at 10:25 p.m. The motion was seconded by Council Member Gary Winterton.

Roll Call Vote: The motion passed 6:0 with Council Members Harding, Knecht, Santiago, Stewart, Van Buren, and Winterton in favor. Council Member Sewell was excused.